

JUL 12 2005

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

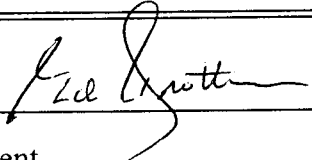
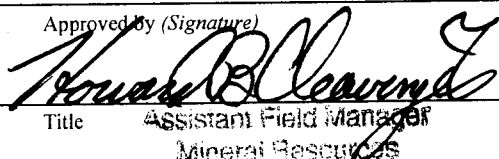
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-80613
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG RESOURCES, INC.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. BOX 1815 VERNAL, UT 84078		8. Lease Name and Well No. SOUTH CHAPITA 20-3
3b. Phone No. (Include area code) (435)789-0790		9. API Well No. 43.047.36905
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 481' FNL, 2320' FEL NW/NE (Lot 2) At proposed prod. Zone		10. Field and Pool, or Exploratory NATURAL BUTTES
11. Sec., T., R., M., or Blk. and Survey or Area SEC. 3, T10S, R23E, S.L.B.&M.		12. County or Parish UINTAH
13. State UTAH		14. Distance in miles and direction from nearest town or post office* 30.62 MILES SOUTHEAST OF OURAY, UTAH
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) 481'	16. No. of Acres in lease 642	17. Spacing Unit dedicated to this well 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C	19. Proposed Depth 8315'	20. BLM/BIA Bond No. on file NM-2308
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5337.8 FEET GRADED GROUND	22. Approximate date work will start* UPON APPROVAL	23. Estimated duration 45 DAYS
24. Attachments		

Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Ed Trotter	Date July 7, 2005
RECEIVED DEC 20 2005		
Title Agent		
Approved by (Signature) 	Name (Printed/Typed) DIV. OF OIL, GAS & MINING	Date 12/14/2005
Title Assistant Field Manager Mineral Resources	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of Approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	EOG Resources, Inc.	Location:	Lot 2, Sec. 3, T10S, R23E
Well No:	South Chapita 20-3	Lease No:	UTU-80613
API No:	43-047-36905	Agreement:	N/A

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
After hours contact number: (435) 781-4513		FAX: (435) 781-4410	

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations.

NOTIFICATION REQUIREMENTS

Location Construction (Notify Paul Buhler)	- Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Paul Buhler)	- Prior to moving on the drilling rig.
Spud Notice (Notify PE)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify SPT)	- Twenty-Four (24) hours prior to running casing and cementing) all casing strings.
BOP & Related Equipment Tests (Notify SPT)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify PE)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

1. Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.
2. As a Best Management Practice (BMP), the pipeline shall be buried within the identified construction width of an access corridor that contains the access road and pipelines. Exceptions to this BMP may be granted where laterally extensive, hard indurated bedrock, such as sandstone, is at or within 2 feet of the surface; and, soil types with a poor history of successful rehabilitation).
3. Prior to abandonment of a buried pipeline, the operator will obtain authorization from the appropriate regulatory agency. BLM will determine whether the pipeline and all above ground pipeline facilities shall be removed and unsalvageable materials disposed of at approved sites or abandoned in place. Reshaping and revegetation of disturbed land areas will be completed where necessary.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil and Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

1.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.

All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil and Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.

BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil and Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
6. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended

for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.

7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR ' 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil and Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR ' 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report should be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Worland Field Office.

Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the

API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.

11. A schematic facilities diagram as required by Onshore Oil and Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil and Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil and Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - a. Operator name, address, and telephone number.
 - b. Well name and number.
 - c. Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - g. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
15. Pursuant to Onshore Oil and Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method should be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/13/2005

API NO. ASSIGNED: 43-047-36905

WELL NAME: S CHAPITA 20-3

OPERATOR: EOG RESOURCES INC (N9550)

CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

NWNE 03 100S 230E

SURFACE: 0481 FNL 2320 FEL

BOTTOM: 0481 FNL 2320 FEL

UINTAH

NATURAL BUTTES (630)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-80613

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: PRRV

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.98394

LONGITUDE: -109.3113

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM-2308)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit

(No. 49-1501)

☒ RDCC Review (Y/N)

(Date:)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit _____

___ R649-3-2. General

Siting: 460' From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

☒ Drilling Unit

Board Cause No: 179-9

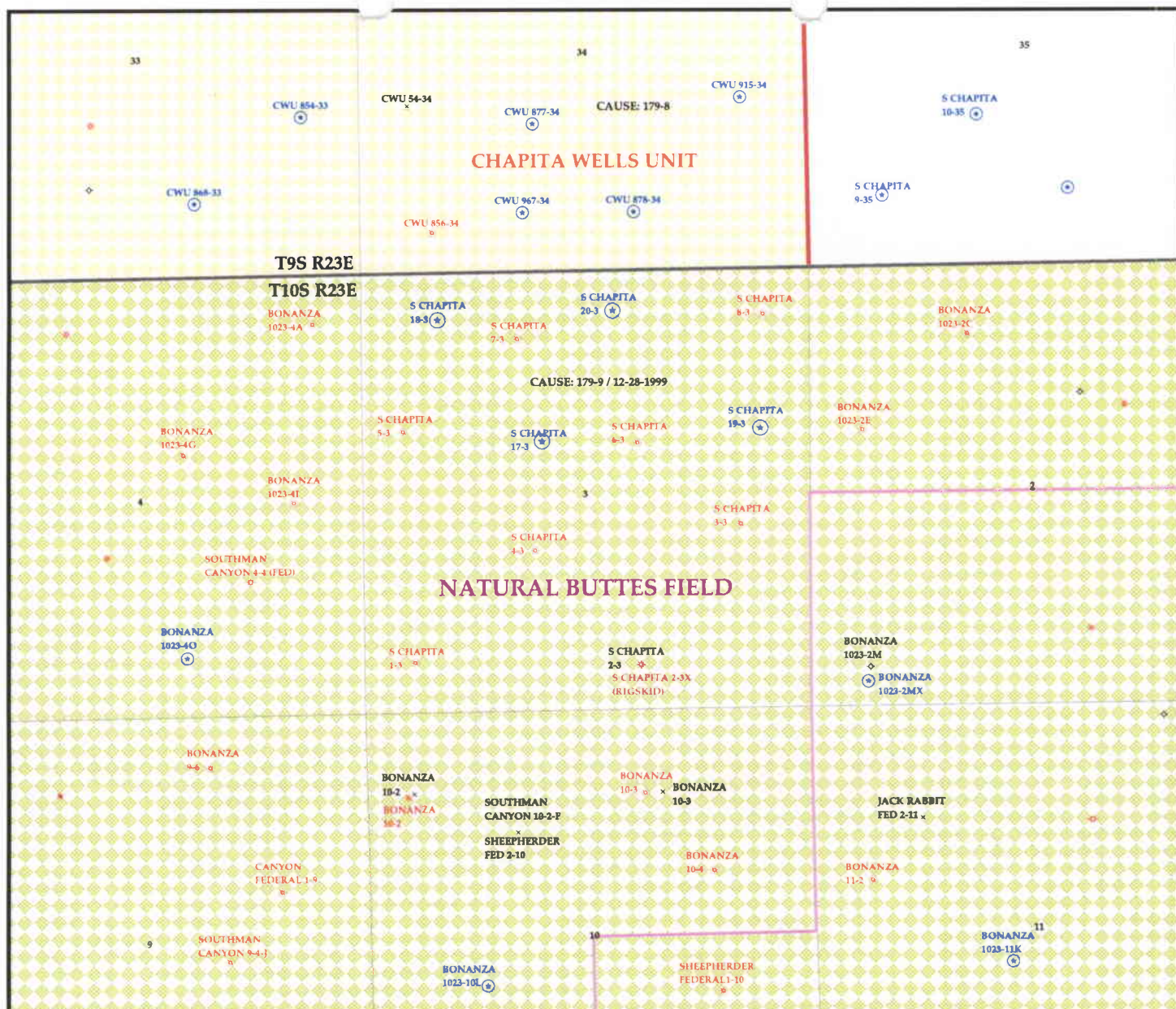
Eff Date: 12-28-1999

Siting: 460' fr next dir l bdr of 920' fr other wells

___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval



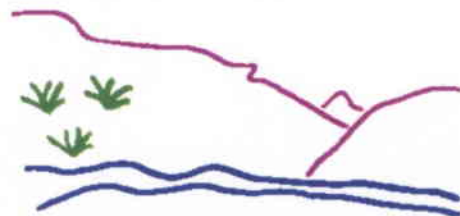
OPERATOR: EOG RESOURCES INC (N9550)

SEC: 3 T. 10S R. 23E

FIELD: NATURAL BUTTES (630)

COUNTY: UTAH

CAUSE: 179-9 / 12-28-1999



Utah Oil Gas and Mining

Wells	Units.shp	Fields.shp
• GAS INJECTION	□ EXPLORATORY	□ ABANDONED
• GAS STORAGE	□ GAS STORAGE	□ ACTIVE
× LOCATION ABANDONED	□ NF PP OIL	□ COMBINED
• NEW LOCATION	□ NF SECONDARY	□ INACTIVE
• PLUGGED & ABANDONED	□ PENDING	□ PROPOSED
• PRODUCING GAS	□ PI OIL	□ STORAGE
• PRODUCING OIL	□ PP GAS	□ TERMINATED
• SHUT-IN GAS	□ PP GEOTHERML	
• SHUT-IN OIL	□ PP OIL	
× TEMP. ABANDONED	□ SECONDARY	
• TEST WELL	□ TERMINATED	
• WATER INJECTION		
• WATER SUPPLY		
• WATER DISPOSAL		



PREPARED BY: DIANA WHITNEY
DATE: 15-JULY-2005

EOG Resources, Inc.
P.O. 1910
Vernal, UT 84078

July 7, 2005

Utah Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: APPLICATION FOR PERMIT TO DRILL
SOUTH CHAPITA 20-3
NW/NE (Lot 2), SEC. 3, T10S, R23E
UINTAH COUNTY, UTAH
LEASE NO.: UTU-80613
FEDERAL LANDS

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone: (435)789-4120
Fax: (435)789-1420

Sincerely,



Ed Trotter
Agent
EOG Resources, Inc.

Attachments

RECEIVED

JUL 13 2005

DIV. OF OIL, GAS & MINING

S. Chapita 20-3 B

EIGHT POINT PLAN
SOUTH CHAPITA 20-3
NW/NE (Lot 2), SEC. 3, T10S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	DEPTH (KB)
Green River	1,543'
Wasatch	4,169'
North Horn	6,036'
Island	6,303'
KMV Price River	6,557'
KMV Price River Middle	7,107'
KMV Price River Lower	7,728'
Sego	8,216'

Estimated TD: 8,315' or 200'± below Sego top

Anticipated BHP: 4,540 Psig

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>RATING FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
12-1/4"	0' – 2,300'KB±	2,300'±	9-5/8"	36.0#	J-55	ST&C	2020 Psi	3520 Psi	394,000#
7-7/8"	2,300'± – TD	8,315±	4-1/2"	11.6#	N-80	LT&C	6350 Psi	7780 Psi	223,000#

Note: 12-1/4" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-5/8" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0' - 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-1/2", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (50± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

EIGHT POINT PLAN
SOUTH CHAPITA 20-3
NW/NE (Lot 2), SEC. 3, T10S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

7. VARIANCE REQUESTS:

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD. Cased hole evaluation logs will be run in lieu of open hole logs.

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% CaCl₂, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft³/sk. yield, 23 gps water.

Tail: Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to 500' above the casing shoe.

EIGHT POINT PLAN
SOUTH CHAPITA 20-3
NW/NE (Lot 2), SEC. 3, T10S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM (Continued):

Production Hole Procedure (2300'± - TD)

Lead: 410 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19 gps water.

Tail: 545 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

Note: Number of sacks is based on gauged hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe. Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

11. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

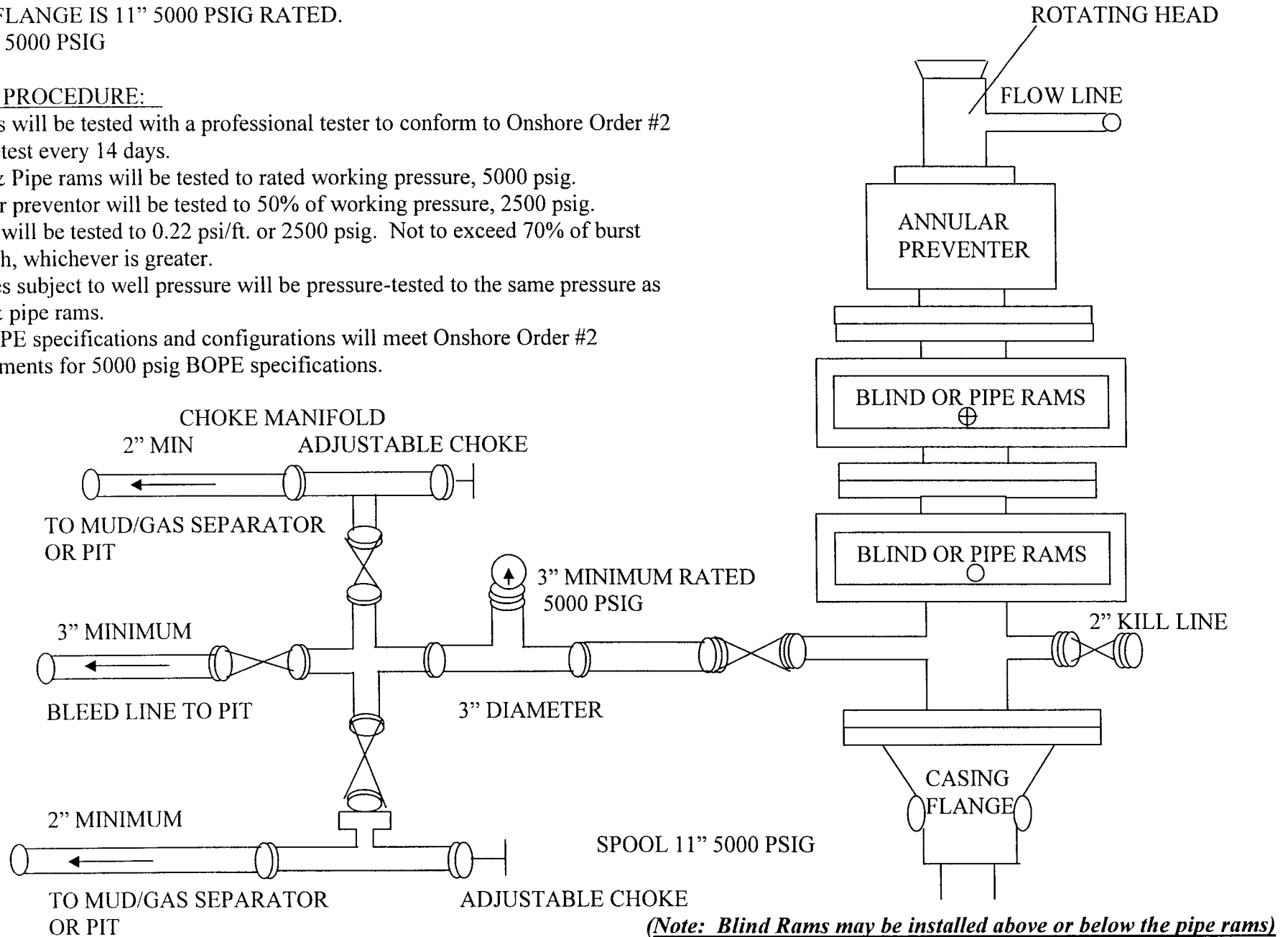
(Attachment: BOP Schematic Diagram)

5000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 5000 PSIG RATED.
CASING FLANGE IS 11" 5000 PSIG RATED.
BOPE 11" 5000 PSIG

TESTING PROCEDURE:

1. BOPE's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 5000 psig.
3. Annular preventor will be tested to 50% of working pressure, 2500 psig.
4. Casing will be tested to 0.22 psi/ft. or 2500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure-tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 5000 psig BOPE specifications.



**CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

Company/Operator:	<u>EOG Resources, Inc.</u>
Well Name & Number:	<u>South Chapita 20-3</u>
Lease Number:	<u>UTU-80613</u>
Location:	<u>481' FNL & 2320' FEL, NW/NE (Lot 2), Sec. 3, T10S, R23E, S.L.B.&M., Uintah County, Utah</u>
Surface Ownership:	<u>Federal</u>

NOTIFICATION REQUIREMENTS

Location Construction - forty-eight (48) hours prior to construction of location and access roads.

Location Completion - prior to moving on the drilling rig.

Spud Notice: - at least twenty-four (24) hours prior to spudding the well.

Casing String and
Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.

BOP and related
Equipment Tests - twenty-four (24) hours prior to running casing and tests.

First Production
Notice - within five (5) business days after new Well begins or production resumes after Well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 30.62 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 0.2 miles in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. **A High Water Crossing will be placed in the access road by the South Chapita 7-3 well location.** All other road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

New or reconstructed roads will be centerlined - flagged at time of location staking.

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. **LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION**

A. Abandoned wells - 1*

B. Producing wells - 3*

(*See attached TOPO map "C" for location)

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

A. **ON WELL PAD**

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, 300 Bbl vertical or 200 Bbl low profile, condensate tank, and attaching piping.
2. Gas gathering lines - A 4" gathering line will be buried from dehy to the edge of the location.

B. **OFF WELL PAD**

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. A 4" OD steel above ground natural gas pipeline will be laid approximately 1912' from proposed location to a point in the NE/NW of Section 3, T10S, R23E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands, thus a Right-of-Way grant will be required.
3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface.
4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery.

The production facilities will be placed on the Southeast side of the location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee.

All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Carlsbad Canyon.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/or Target Trucking Inc.'s water source in the SW/SW, Sec. 35, T9S, R22E, Uintah County, Utah (State Water Right #49-1501). Produced water from the Chapita Wells and Stagecoach Units will also be used.
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. All construction material will come from Federal Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
- 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc.

drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

On BLM administered land:

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt and a 12 millimeter plastic liner.

8. **ANCILLARY FACILITIES**

- A. No airstrips or camps are planned for this well.

9. **WELLSITE LAYOUT**

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.
- D. The approved seed mixture for this location is:
 - Wyoming Big Sage – 3 pounds per acre
 - Gardner Salt Bush – 3 pounds per acre
 - Indian Rice Grass – 2 pounds per acre
 - Hi-Crest Crested Wheat Grass – 1 pound per acre
 - Shad Scale – 3 pounds per acre.

The reserve pit will be located on the Southeast corner of the location. The flare pit will be located downwind of the prevailing wind direction on the South side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil will be stored separate from the location topsoil Northwest of Corner B. The stockpiled location topsoil will be stored between Corner #3 and Corner #2, as well as from Southeast of Corner 6 to Corner #7. Upon completion of construction, the stockpiled topsoil

from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the West.

Corners #2, #6, & #8 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

B. DRY HOLE/ABANDONED LOCATION

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP

Access road: Federal

Location: Federal

12. OTHER INFORMATION

A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used.
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

Additional Surface Stipulations

A High Water Crossing will be placed in the access road by the South Chapita 7-3 well location.

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING AGENT

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Telephone: (435)789-4120
Fax: (435)789-1420

DRILLING OPERATIONS

Donald Presenkowski
EOG Resources, Inc.
P.O. Box 250
Big Piney, WY 83113
Telephone: (307)276-4865

All lease or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. EOG Resources, Inc. is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in the Plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

Please be advised that EOG Resources, Inc. is considered to be the operator of the **South Chapita 20-3 Well, located in the NW/NE (Lot 2) of Section 3, T10S, R23E, Uintah County, Utah; Lease #UTU-80613;** and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is provided under Bond #NM 2308.

7-7-2005
Date


Agent

EOG RESOURCES, INC.
SOUTH CHAPITA #20-3
SECTION 3, T10S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 3.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 5.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 3.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.45 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 350' TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 61.6 MILES.

EOG RESOURCES, INC.
SOUTH CHAPITA #20-3
LOCATED IN UINTAH COUNTY, UTAH
SECTION 3, T10S, R23E, S.L.B.&M.

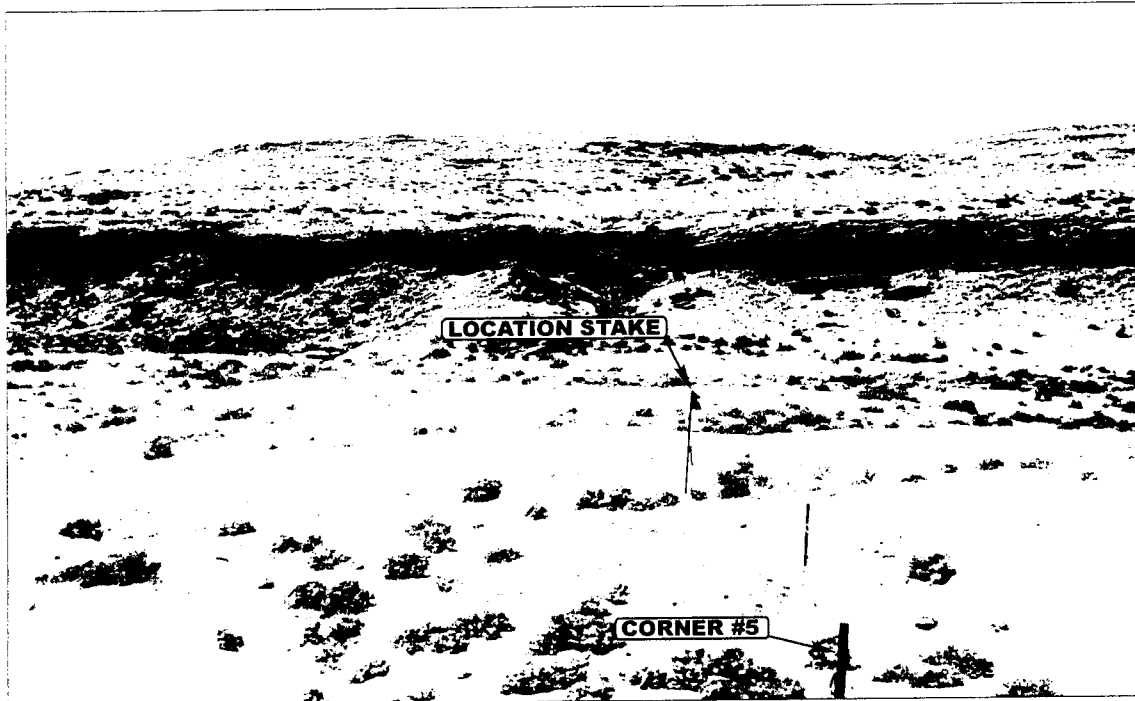


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

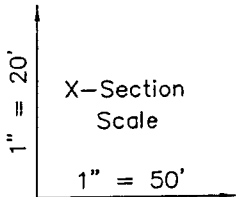
UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS			03	01	04	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: K.K.		DRAWN BY: P.M.		REVISED: 00-00-00		

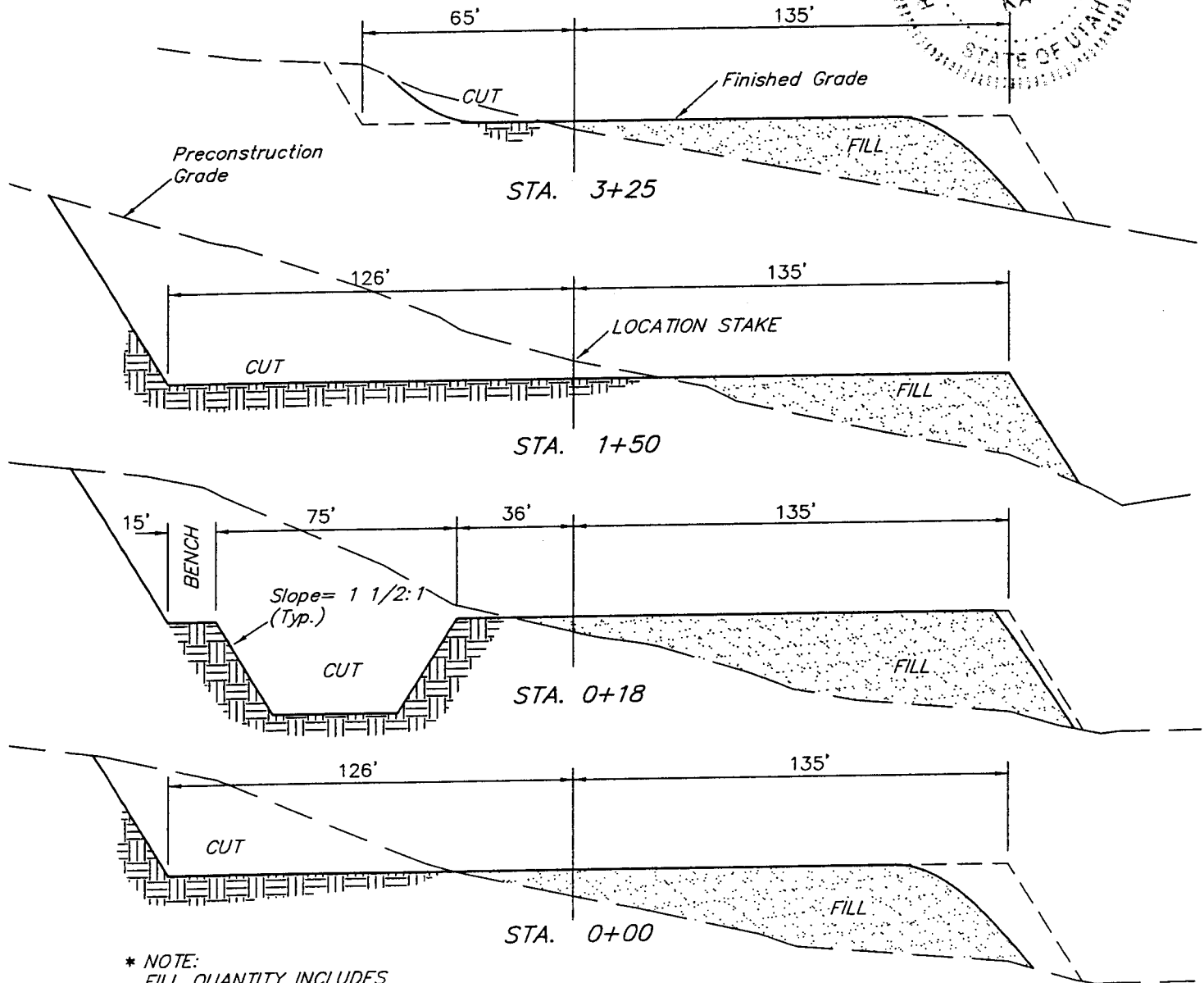
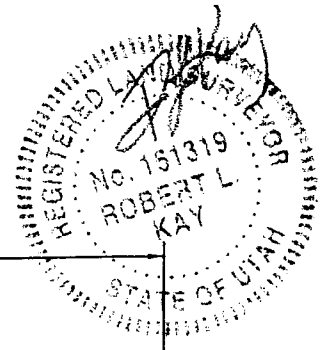
EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

SOUTH CHAPITA #20-3
SECTION 3, T10S, R23E, S.L.B.&M.
481' FNL 2320' FEL



DATE: 03-10-04
Drawn By: D.R.B.



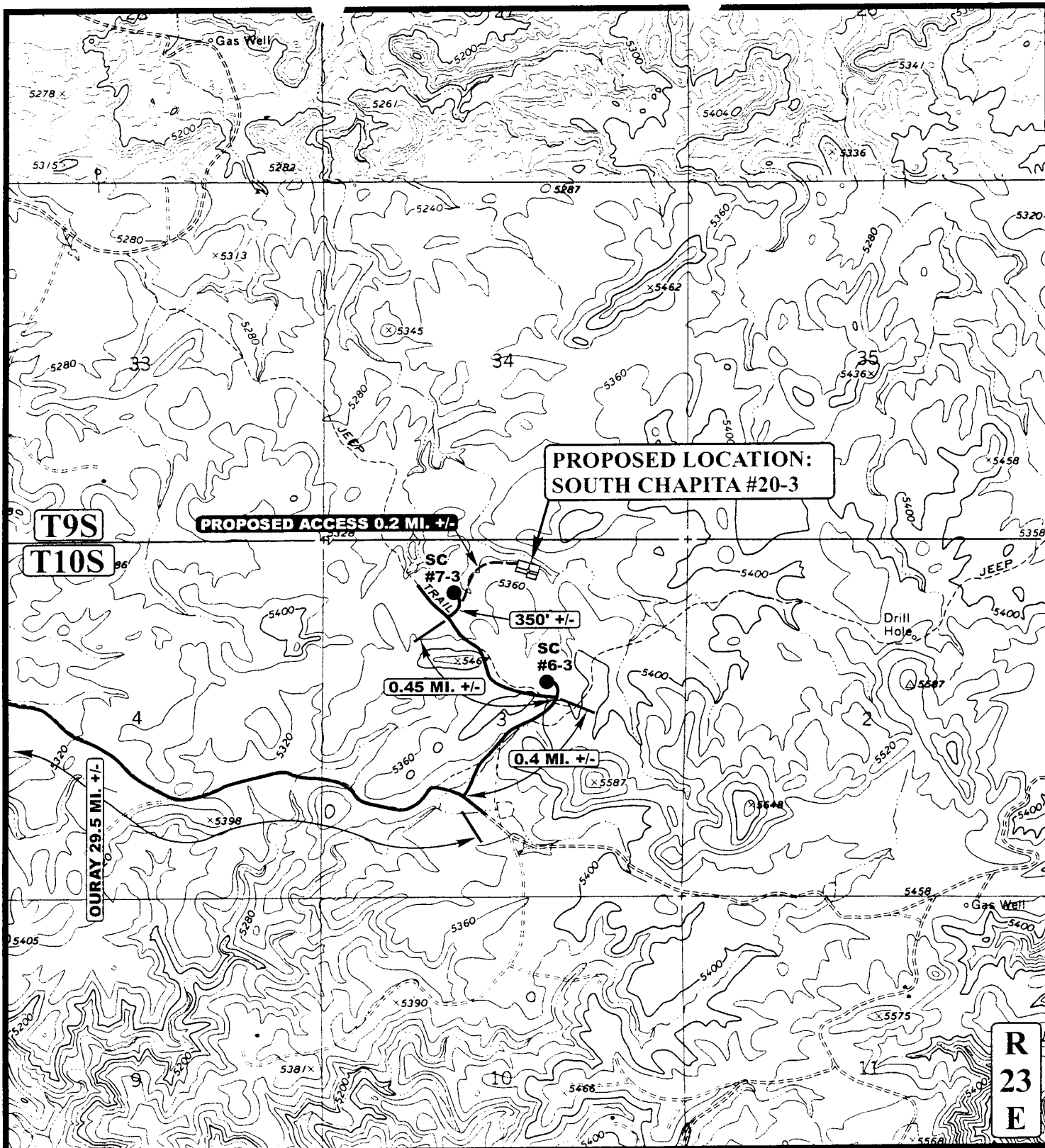
* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,910 Cu. Yds.
Remaining Location	= 16,090 Cu. Yds.
TOTAL CUT	= 18,000 CU.YDS.
FILL	= 14,430 CU.YDS.

EXCESS MATERIAL	= 3,570 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,570 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

EXISTING ROAD
 PROPOSED ACCESS ROAD

EOG RESOURCES, INC.

SOUTH CHAPITA #20-3
SECTION 3, T10S, R23E, S.L.B.&M.
481' FNL 2320' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

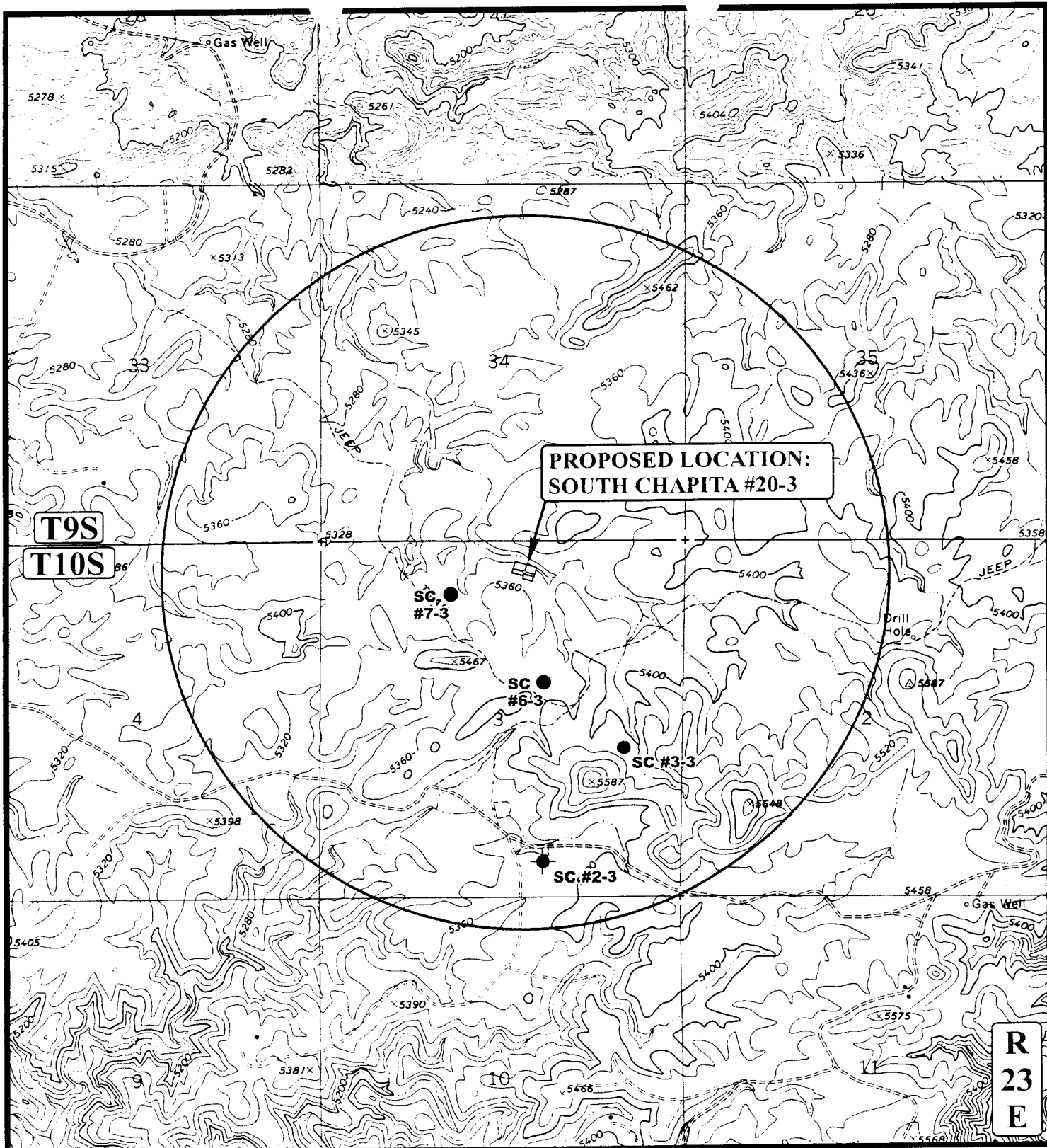


T O P O G R A P H I C
M A P

03 **01** **04**
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

B
TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

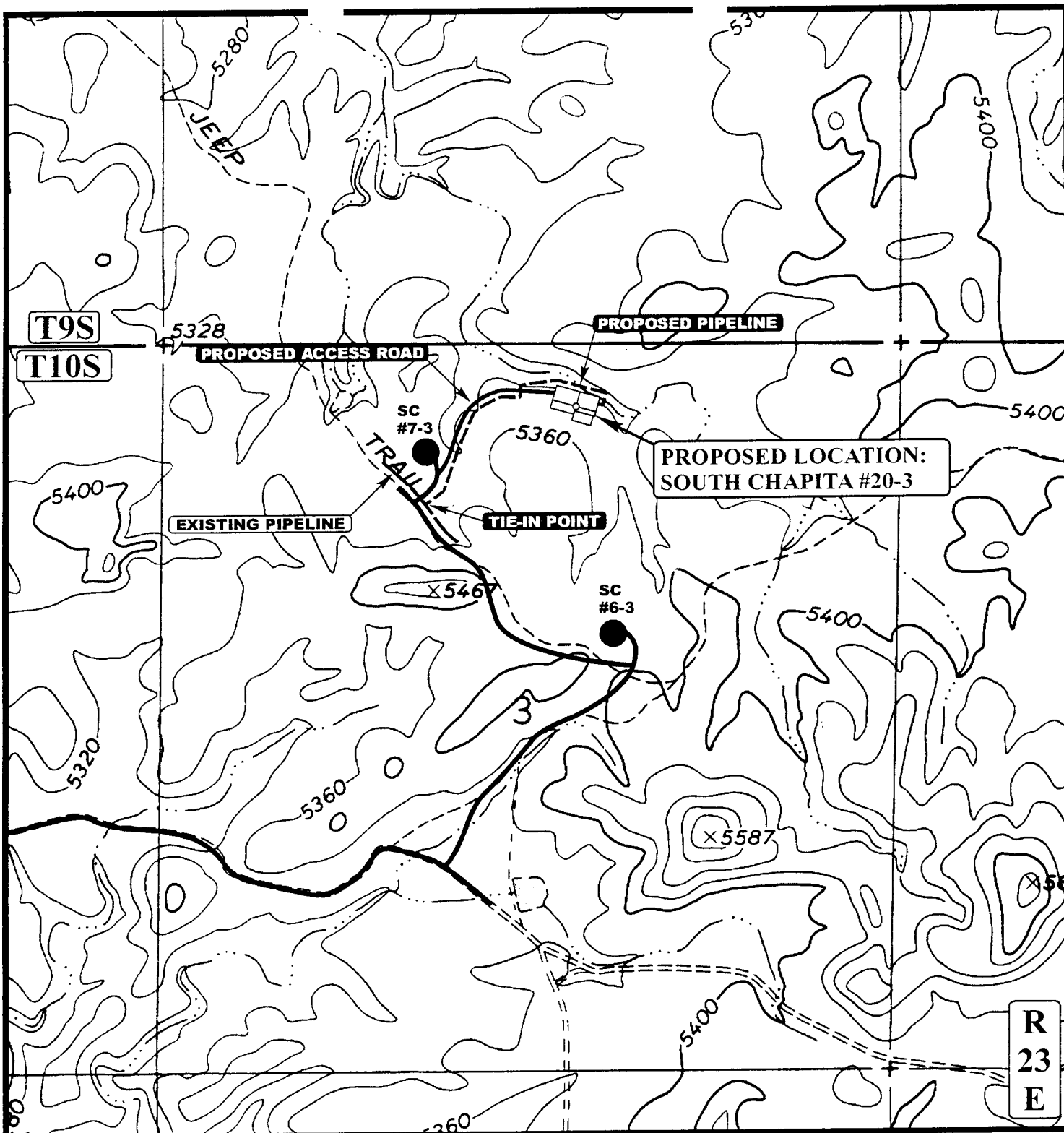


EOG RESOURCES, INC.

SOUTH CHAPITA #20-3
 SECTION 3, T10S, R23E, S.L.B.&M.
 481' FNL 2320' FEL

TOPOGRAPHIC MAP 03 01 04
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1.912' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



EOG RESOURCES, INC.

SOUTH CHAPITA #20-3
SECTION 3, T10S, R23E, S.L.B.&M.
481' FNL 2320' FEL

TOPOGRAPHIC
MAP

03	01	04
MONTH	DAY	YEAR

SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00





State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 18, 2005

EOG Resources, Inc.
P O Box 1815
Vernal, UT 84078

Re: South Chapita 20-3 Well, 481' FNL, 2320' FEL, NW NE,
Sec. 3, T. 10 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36905.

Sincerely,

Gil Hunt
Acting Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: EOG Resources, Inc.
Well Name & Number South Chapita 20-3
API Number: 43-047-36905
Lease: UTU-80613

Location: NW NE **Sec.** 3 **T.** 10 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

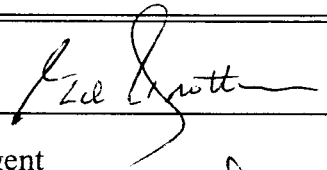
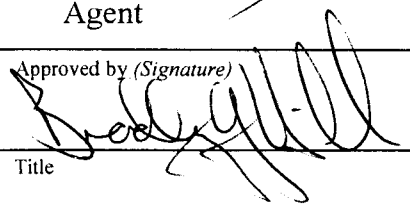
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-80613
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG RESOURCES, INC.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. BOX 1815 VERNAL, UT 84078		8. Lease Name and Well No. SOUTH CHAPITA 20-3
3b. Phone No. (Include area code) (435)789-0790		9. API Well No. 43-047-36905
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 481' FNL, 2320' FEL At proposed prod. Zone NW/NE (Lot 2)		10. Field and Pool, or Exploratory NATURAL BUTTES
11. Sec., T., R., M., or Blk. and Survey or Area SEC. 3, T10S, R23E, S.L.B.&M.		
12. Distance in miles and direction from nearest town or post office* 30.62 MILES SOUTHEAST OF OURAY, UTAH		12. County or Parish UINTAH
13. State UTAH		
15. Distance from proposed* location to nearest property or lease line, ft. 481' (Also to nearest drig. Unit line, if any)	16. No. of Acres in lease 642	17. Spacing Unit dedicated to this well 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C	19. Proposed Depth 8315'	20. BLM/BIA Bond No. on file NM-2308
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5337.8 FEET GRADED GROUND	22. Approximate date work will start* UPON APPROVAL	23. Estimated duration 45 DAYS
24. Attachments		

Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Ed Trotter	Date July 7, 2005
Title Agent		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III	Date 07-18-05
Title 		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of Approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Federal Approval of this
Action Is Necessary

DIV. OF OIL, GAS & MINING

RECEIVED
JUL 13 2005

T10S, R23E, S.L.B.&M.

EOG RESOURCES, INC.

Well location, SOUTH CHAPITA #20-3, located as shown in the NW 1/4 NE 1/4 (Lot 2) of Section 3, T10S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCHMARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.



SCALE

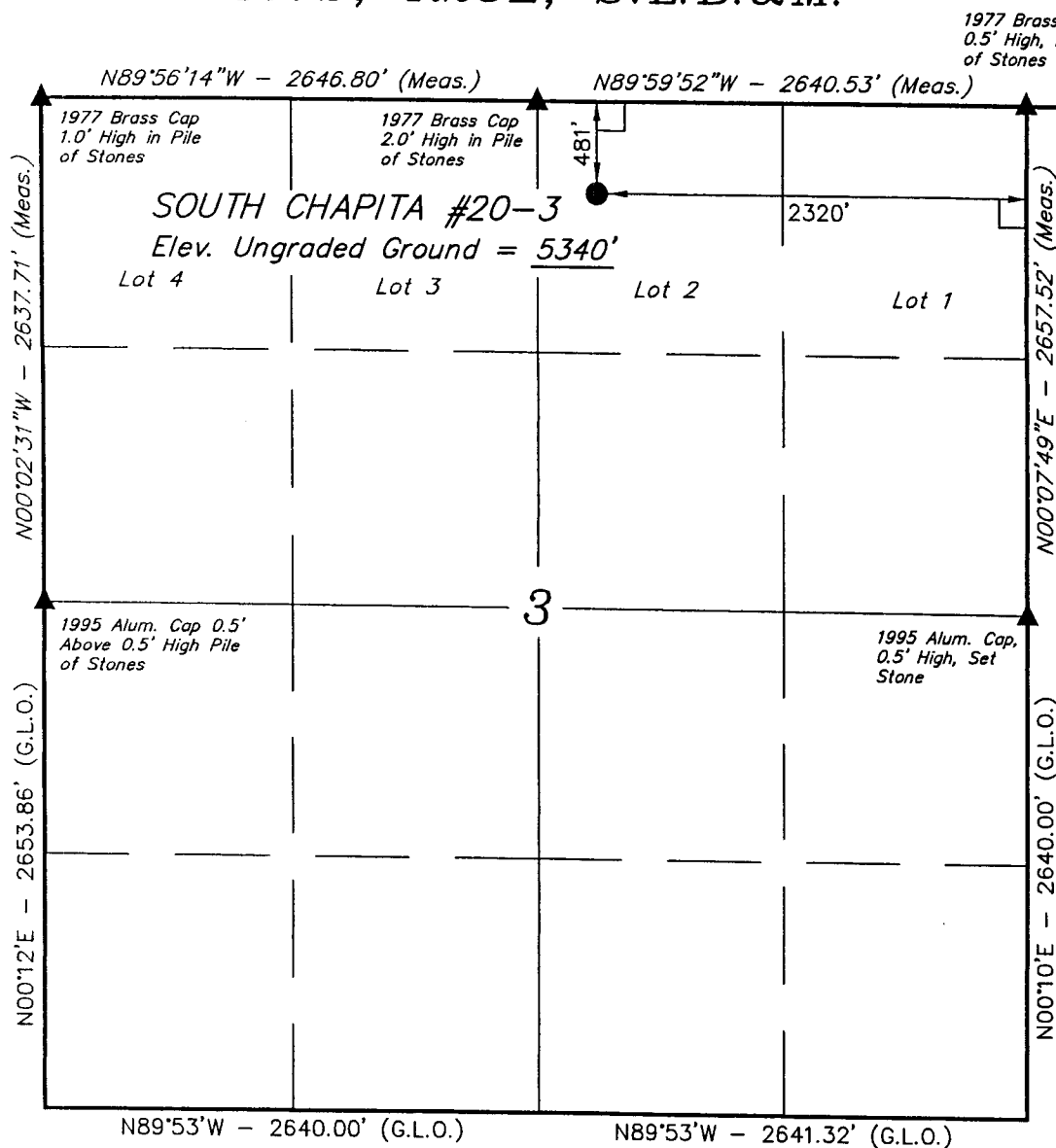
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 02-26-04	DATE DRAWN: 03-10-04
PARTY K.K. D.J. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EOG RESOURCES, INC.	



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(NAD 27)
LATITUDE = 39°59'02.10" (39.983917)
LONGITUDE = 109°18'40.44" (109.311233)



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 17, 2006
AMENDED

EOG Resources, Inc.
P O Box 1815
Vernal, UT 84078

Re: South Chapita 20-3 Well, 481' FNL, 2320' FEL, NW NE, Sec. 3, T. 10 South,
R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36905.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

mf
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: EOG Resources, Inc.
Well Name & Number South Chapita 20-3
API Number: 43-047-36905
Lease: UTU-80613

Location: NW NE **Sec.** 3 **T.** 10 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: S CHAPITA 20-3

Api No: 43-047-36905 Lease Type: FEDERAL

Section 03 Township 10S Range 23E County UINTAH

Drilling Contractor ROCKER DRILLING RIG # 1

SPUDDED:

Date 06/30/06

Time 9:00 AM

How DRY

Drilling will Commence: _____

Reported by DALL COOK

Telephone # (435) 828-3630

Date 06/30/2006 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: EOG Resources, Inc.
Address: 600 17th St., Suite 1000N
city Denver
state CO zip 80202

Operator Account Number: N 9550
Phone Number: (303) 824-5526

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36905	South Chapita 20-3		NWNE	3	10S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	15473	6/30/2006			7/6/06	
Comments: <u>murd</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-37367	Chapita Wells Unit 1058-13		NESW	13	9S	22E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	15474	6/30/2006			7/6/06	
Comments: <u>murd</u>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36009	Chapita Wells Unit 947-30		SWNW	30	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<u>AB</u>	99999	13918	7/5/2006			7/6/06	
Comments: <u>murd</u>							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

RECEIVED
JUL 06 2006

Mary A. Maestas

Name (Please Print)

Signature

Operations Clerk

Title

7/5/2006

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **EOG Resources, Inc.**

3a. Address
600 17th Street, Suite 1000N, Denver, CO 80202

3b. Phone No. (include area code)
303-824-5526

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**481' FNL & 2320' FEL (NWNE Lot 2)
Sec. 3-T10S-R23E 39.98394 LAT 109.31126 LON**

5. Lease Serial No.

UTU-80613

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

South Chapita 20-3

9. API Well No.

43-047-36905

10. Field and Pool, or Exploratory Area

Natural Buttes/Mesaverde

11. County or Parish, State

Uintah County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations.

- 1. Natural Buttes Unit 21-20B SWD**
- 2. Ace Disposal**
- 3. RN Industries**

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Mary A. Maestas

Title **Operations Clerk**

Signature

Mary A. Maestas

Date

07/05/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED

JUL 07 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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OMB No. 1004-0137
Expires: March 31, 2007

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1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **EOG Resources, Inc.**

3a. Address
600 17th Street, Suite 1000N, Denver, CO 80202

3b. Phone No. (include area code)
303-824-5526

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**481' FNL & 2320' FEL (NW/NE Lot 2)
Sec. 3-T10S-R23E 39.983917 LAT 109.311233 LON**

5. Lease Serial No.

UTU-80613

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
South Chapita 20-3

9. API Well No.
43-047-36905

10. Field and Pool, or Exploratory Area
Natural Buttes/Mesaverde/Wasatch

11. County or Parish, State
Uintah County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Water evaporation
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	unit
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. placed a water evaporation system on the referenced location as per verbal approval with Paul Buhler, BLM Vernal Field Office. Each unit consists of a 3" trash pump, a single/double evaporation unit consisting of 16-32 spray nozzles sprinkling fluids approximately 3'-4' into the atmosphere. All fluids are fully contained within the reserve pit. The unit will be in place until the pit is fully evaporated. Upon completion of evaporation, the pit will be reclaimed.

Accepted by the
Utah Division of
Oil, Gas & Mining
REGULATORY ONLY

RECEIVED

SEP 18 2006

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Mary A. Maestas

Title **Regulatory Assistant**

Signature

Mary A. Maestas

Date

09/15/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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Title

Date

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(Instructions on page 2)

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DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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OMB No. 1004-0137
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8. Well Name and No.
South Chapita 20-3

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43-047-36905

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Natural Buttes/Mesaverde

11. County or Parish, State
Uintah County, Utah

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<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Well spud
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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The referenced well spud on 6/30/2006.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Mary A. Maestas

Title **Operations Clerk**

Signature

Mary A. Maestas

Date

07/05/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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(Instructions on page 2)

RECEIVED

JUL 07 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
EOG Resources, Inc.

3a. Address
600 17th Street, Suite 1000N, Denver, CO 80202

3b. Phone No. (include area code)
303-824-5526

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481' FNL & 2320' FEL (NW/NE Lot 2)
Sec. 3-T10S-R23E 39.983917 LAT 109.311233 LON

5. Lease Serial No.
UTU-80613

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7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
South Chapita 20-3

9. API Well No.
43-047-36905

10. Field and Pool, or Exploratory Area
Natural Buttes/Mesaverde

11. County or Parish, State
Uintah County, Utah

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<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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The referenced well was turned to sales on 9/12/2006. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Mary A. Maestas

Title Regulatory Assitant

Signature

Mary A. Maestas

Date

09/12/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

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(Instructions on page 2)

RECEIVED

SEP 15 2006

DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 09-12-2006

Well Name	SCW 20-03	Well Type	DEVG	Division	DENVER
Field	CHAPITA WELLS DEEP	API #	43-047-36905	Well Class	COMP
County, State	UINTAH, UT	Spud Date	07-25-2006	Class Date	
Tax Credit	N	TVD / MD	8,390/ 8,390	Property #	054590
Water Depth	0	Last CSG	4.5	Shoe TVD / MD	8,390/ 8,390
KB / GL Elev	5,357/ 5,338				
Location	Section 3, T10S, R23E, NWNE (LOT 2), 481 FNL & 2320 FEL				

Event No	1.0	Description	DRILL & COMPLETE		
Operator	EOG RESOURCES, INC	WI %	100.0	NRI %	87.5

AFE No	302725	AFE Total	1,905,900	DHC / CWC	789,500/ 1,116,400
---------------	--------	------------------	-----------	------------------	--------------------

Rig Contr	PIONEER	Rig Name	PIONEER #59	Start Date	07-19-2005	Release Date	08-03-2006
------------------	---------	-----------------	-------------	-------------------	------------	---------------------	------------

07-19-2005	Reported By	ED TROTTER
-------------------	--------------------	------------

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
------------------------------	-----	-------------------	-----	--------------------	-----

Cum Costs: Drilling	\$0	Completion	\$0	Well Total	\$0
----------------------------	-----	-------------------	-----	-------------------	-----

MD	0	TVD	0	Progress	0	Days	0	MW	0.0	Visc	0.0
-----------	---	------------	---	-----------------	---	-------------	---	-----------	-----	-------------	-----

Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
--------------------	------------	---------------	-----------------

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
--------------	------------	------------	-----------------------------

06:00	06:00	24.0	LOCATION DATA
			481' FNL & 2320' FEL (NW/NE) (LOT 2)
			SECTION 3, T10S, R23E
			UINTAH COUNTY, UTAH
			LAT 39.983917, LONG 109.311233 (NAD 27)

RIG: PIONEER #59

OBJECTIVE: 8390' TD, MESAVERDE

DW/GAS

CHAPITA WELLS DEEP PROSPECT

DD&A: CHAPITA DEEP

NATURAL BUTTES FIELD

LEASE: UTU-80613

ELEVATION: 5340.1' NAT GL, 5337.8' PREP GL (DUE TO ROUNDING PREP GL WILL BE 5338'), 5357' KB.(19')

EOG WI 100%, NRI 87.5%

06-20-2006	Reported By	ED TROTTER
-------------------	--------------------	------------

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
------------------------------	-----	-------------------	-----	--------------------	-----

Cum Costs: Drilling \$0 **Completion** \$0 **Well Total** \$0
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: STARTED LOCATION

Start End Hrs Activity Description

06:00 06:00 24.0 BEGAN CONSTRUCTION OF LOCATION.

GROUND LEVEL ELEVATION: 5340' CUT @ STAKE: 2.3'

MI CONSTRUCTION EQUIPMENT, BUILD ACCESS ROAD AND LOCATION, LINED RESERVE PIT.

06-22-2006 Reported By ED TROTTER

Daily Costs: Drilling \$0 **Completion** \$0 **Daily Total** \$0
Cum Costs: Drilling \$0 **Completion** \$0 **Well Total** \$0
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: BUILDING LOCATION

Start End Hrs Activity Description

06:00 06:00 24.0 LOCATION IS 10% COMPLETE

06-23-2006 Reported By ED TROTTER

Daily Costs: Drilling \$0 **Completion** \$0 **Daily Total** \$0
Cum Costs: Drilling \$0 **Completion** \$0 **Well Total** \$0
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: BUILDING LOCATION

Start End Hrs Activity Description

06:00 06:00 24.0 LOCATION IS 20% COMPLETE.

06-24-2006 Reported By ED TROTTER

Daily Costs: Drilling \$57,225 **Completion** \$0 **Daily Total** \$57,225
Cum Costs: Drilling \$57,225 **Completion** \$0 **Well Total** \$57,225
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: BUILDING LOCATION

Start End Hrs Activity Description

06:00 06:00 24.0 LOCATION IS 40% COMPLETE.

06-26-2006 Reported By ED TROTTER

Daily Costs: Drilling \$2,040 **Completion** \$0 **Daily Total** \$2,040
Cum Costs: Drilling \$57,225 **Completion** \$0 **Well Total** \$57,225
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD : 0.0** **Perf :** **PKR Depth : 0.0**

Activity at Report Time: BUILDING LOCATION

Start End Hrs Activity Description

06:00 06:00 24.0 LOCATION IS 40% COMPLETE.

06-27-2006 Reported By ED TROTTER

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$57,225	Completion	\$0	Well Total	\$57,225

MD	0	TVD	0	Progress	0	Days	0	MW	0.0	Visc	0.0
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: BUILDING LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION IS 50% COMPLETE.

06-28-2006 Reported By ED TROTTER

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$57,225	Completion	\$0	Well Total	\$57,225

MD	0	TVD	0	Progress	0	Days	0	MW	0.0	Visc	0.0
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: BUILDING LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION IS 55% COMPLETE.

06-29-2006 Reported By ED TROTTER

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$57,225	Completion	\$0	Well Total	\$57,225

MD	0	TVD	0	Progress	0	Days	0	MW	0.0	Visc	0.0
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: BUILDING LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION IS 75% COMPLETE.

06-30-2006 Reported By ED TROTTER

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$57,225	Completion	\$0	Well Total	\$57,225

MD	0	TVD	0	Progress	0	Days	0	MW	0.0	Visc	0.0
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: BUILDING LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION IS 85% COMPLETE

07-05-2006 Reported By ED TROTTER

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$57,225	Completion	\$0	Well Total	\$57,225

MD	0	TVD	0	Progress	0	Days	0	MW	0.0	Visc	0.0
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: BUILDING LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION IS 95% COMPLETE.

07-06-2006 Reported By BARNES / COOK

Daily Costs: Drilling	\$0	Completion	\$0	Daily Total	\$0
Cum Costs: Drilling	\$57,225	Completion	\$0	Well Total	\$57,225

MD	40	TVD	40	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :		PBT D : 0.0		Perf :		PKR Depth : 0.0					

Activity at Report Time: WO AIR RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION IS 100% COMPLETE. WO AIR RIG. MIRU ROCKER DRILLING. SPUD 17 1/2 " HOLE 6/30/2006 @ 10:00 AM. SET 40' CONDUCTOR. CEMENT TO SURFACE WITH READY MIX.

DALL COOK NOTIFIED MICHAEL LEE W/VERNAL BLM AND CAROL DANIELS W/UDOGM OF THE SPUD 6/30/2006 @ 8:00 AM.

07-14-2006 Reported By BARNES / COOK

Daily Costs: Drilling	\$216,944	Completion	\$0	Daily Total	\$216,944
Cum Costs: Drilling	\$274,169	Completion	\$0	Well Total	\$274,169

MD	1,950	TVD	1,950	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :		PBT D : 0.0		Perf :		PKR Depth : 0.0					

Activity at Report Time: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU BILL JR'S AIR RIG # 6, DRILLED 12-1/4" HOLE TO 1950' GL. ENCOUNTERED WATER AT 1510'. RAN 44 JTS (1916.9 ') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH WEATHERFORD GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 1937.4' KB. RDMO BILL JR'S AIR RIG.

RU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 150 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 200 SX (41 BBLS) OF PREMIUM CEMENT W/2% CaCL2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CFS. DISPLACED CEMENT W/ 144.4 BBLS FRESH WATER. BUMPED PLUG W 500# @ 11:19 AM, 7/8/2006. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS.

TOP JOB #1: MIXED & PUMPED 165 SX (33 BBLS) OF PREMIUM CEMENT W/4% CaCL2 & 1/4#/SX FLOCELE + 100 # GR-3. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 30 MIN.

TOP JOB #2: MIXED & PUMPED 225 SX (46 BBLS) OF PREMIUM CEMENT W/4% CaCL2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX.. NO RETURNS. WOC 2 HRS.

TOP JOB #3: MIXED & PUMPED 225 SX (46 BBLS) OF PREMIUM CEMENT W/2% CaCL2 & 1/4#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS.

TOP JOB #4: MIXED & PUMPED 100 SX (20 BBLS) OF PREMIUM CEMENT W/ 2% CaCL2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 4 HRS.

TOP JOB #5: MIXED & PUMPED 200 SX (41 BBLS) OF PREMIUM CEMENT W/ 2% CaCL2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HOURS.

TOP JOB #6: MIXED & PUMPED 150 SX (30 BBLS) OF PREMIUM CEMENT W/2% CaCL2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 48 HRS.

TOP JOB #7: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CaCL2 & ¼ #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX NO RETURNS. WOC 2 HRS.

TOP JOB #8: MIXED & PUMPED 155 SX (32 BBLS) OF PREMIUM CEMENT W/ 2% CaCL2 & ¼ #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 30 MIN.

TOP JOB # 9: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/ 2% CaCL2 & ¼ #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 3 HRS.

TOP JOB # 10: MIXED & PUMPED 160 SX (33 BBLS) OF PREMIUM CEMENT W/ 2% CaCL2 & ¼ #/SX FLOCELE. HOLE FILLED AND STOOD FULL, 1 BBL TO PIT. RD BIG 4 CEMENTERS.

PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

MIRU SLICK LINE UNIT & SURVEY TOOL (NOT AVAILABLE AT THIS TIME.)

DALL COOK NOTIFIED RAY ARNOLD W/ VBLM OF THE SURFACE CASING & CEMENT JOB ON 7/7/2006 @ 8:00 AM.

07-23-2006		Reported By		STRONG/FOREMAN							
Daily Costs: Drilling		\$20,705		Completion		\$0		Daily Total		\$20,705	
Cum Costs: Drilling		\$294,874		Completion		\$0		Well Total		\$294,874	
MD	1,950	TVD	1,950	Progress	0	Days	0	MW	0.0	Visc	0.0
Formation :			PBTD : 0.0			Perf :			PKR Depth : 0.0		

Activity at Report Time: RD PREP TO MOVE

Start	End	Hrs	Activity Description
12:00	06:00	18.0	FINISH RD & PREP TO MOVE RIG FROM SCW 15-03 LOCATION TO SCW 20-03 LOCATION. TRUCKS SET UP TO ARRIVE @ 06:00 HRS, 7/23/2006.

SAFETY MEETING: DAYS RIGGING DOWN, NTS RIG DOWN

FULL CREWS

DRILLS: DAYS N/A, NIGHT N/A

NO ACCIDENTS

FUEL: 2851 GALS ON HAND

TEMP 61 DEG

TRUCKS LINED UP TO MOVE RIG TO SCW 20-03 @ 06:00 HRS, 7/23/2006

TRANSFERRED:

4 JTS (144.7') 4.5" 11.6# N80 LTC R 3 CSG TO SCW 20-03

2 PUP JTS (43.7') 4.5" 11.6# N 80 LTC CSG TO SCW 20-03

3 JTS (128.52') 4.5" 11.6# PH110 LTC R 3 CSG TO SCW 20-03

2851 GALS FUEL @ \$2.744/GAL TO SCW 20-03

07-24-2006		Reported By		STRONG							
Daily Costs: Drilling		\$22,169		Completion		\$0		Daily Total		\$22,169	
Cum Costs: Drilling		\$317,043		Completion		\$0		Well Total		\$317,043	
MD	1,950	TVD	1,950	Progress	0	Days	0	MW	0.0	Visc	0.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: RURT

Start	End	Hrs	Activity Description
06:00	15:00	9.0	TAILGATE SAFETY MEETING W/PIONEER DRILLING CREW AND WEST ROC TRUCKING. HIGHLIGHTED FORKLIFT OPERATIONAL ISSUES ALONG WITH STANDARD RIG MOVE SAFETY AGENDA. RIG DOWN W/TRUCKS. MOVE PIPE TUBS. MOVE RIG TO LOCATION. SET MUD TANKS, SUB, PUMPS, LIGHT PLANT, WATER TANK AND FUEL TANK, GAS BUSTER. SET MUD BOAT. SPOT CARRIER. RAISE SUB. FINISH SETTING BUILDINGS AND STAIRWAYS. MOVE AND SET IN CAMP. TRUCKS DONE SPOTTING RIG @ 14:00 HRS. UNLOADED HWDP & CSG FROM 14:00 HRS -14:45 HRS. LAST TRUCK & FORKLIFT LEFT LOCATION @ 15:00 HRS. RIG 100% ON LOCATION. SPOTTED READY TO RU.
15:00	21:00	6.0	RU BACK YARD ELECTRICAL. REFAB MOST AIR & WATER LINES. HOOK UP LINES. RAISE DERRICK & SCOPE TO FULL MAST & ATTACH GUY LINES BY 21:00 HRS. INSTALL LADDERS, HANG FLOW LINE. REPOSITION GAS BUSTER & CHOKE HOUSE TO ALLOW THE LINE TO BE HOOKED UP PROPERLY. RESPOT CAT WALK & INSTALL V-DOOR. PLAN TO START NU AROUND 11:00 HRS.

TWO 5 MAN CREW ON DAYLIGHTS TOUR TO MOVE RIG, ONE FIVE MAN CREW ON EVENING TOUR HOOKING UP EQUIP & LINES, WORKED 24 HRS.

SAFETY MEETINGS: TAIL GATE MEETING W/RIG CREWS & WET ROC TRUCKING. COVERED RECENT FORKLIFT INCIDENT/OTHER EQUIP MOVING CONCERNS. NIGHTS: RIGGING UP

FULL CREWS

DRILLS: DAYS N/A, NIGHT N/A

NO ACCIDENTS

CURRENT MW @ XXXXX

FUEL: 2851 GALS ON HAND

TEMP 64 DEG

07-25-2006 Reported By STRONG

Daily Costs: Drilling	\$31,949	Completion	\$0	Daily Total	\$31,949
Cum Costs: Drilling	\$348,992	Completion	\$0	Well Total	\$348,992
MD	1,950	TVD	1,950	Progress	0
Days	0	MW	0.0	Visc	0.0
Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0		

Activity at Report Time: PU BHA

Start	End	Hrs	Activity Description
06:00	12:00	6.0	CONT TO RU. FIX WATER LEAKS, INSTALL GROUND RODS, SET STAIRS. DRESS OUT FLOOR, NO KELLY.
12:00	18:00	6.0	NU MUD CROSS W/FMC DTO QUICK ADAPTOR. TEST SEALS TO 5K PSI FOR 15 MIN. NU BOPS & BOPE. PICK UP KELLY. START DAY RATE AT 12:00 HRS, 7/24/06.
NOTIFIED MICHEAL LEE W/BLM, VERNAL UTAH @ 16:45 HRS, 7/23/2006 OF OUR INTENT TO NU/TEST BOPE AT 12:00 HRS, 7/24/2006. LEFT MESSAGES ON OFFICE & AFTER HOURS CELL PHONE.			
18:00	22:00	4.0	TEST BOPS, BOPE W/B&C QUICK TEST. TEST FLOOR VALVE, DART VALVE, UPPER & LOWER KELLY VALVES, 4" CHOKE LINE VALVES LEAKED @ 250 PSI LOW & 5000 PSI HIGH PRESS.
22:00	01:30	3.5	ORDER OUT MORE 4" VALVES. ND LEAKING VALVES. STRAP & TALLY BHA. REPLACE 4" MANUAL & HCV CHOKE LINE VALVES.
01:30	04:00	2.5	TEST PIPE RAMS, BLIND RAMS, MANIFOLD VALVES, SUPER CHOKE, KILL LINE, CHOKE LINE TO 250 PSI LOW F/5 MIN, 5000 PSI HIGH F/10 MIN. TEST ANNULAR TO 250 PSI LOW F/5 MIN, 2500 PSI HIGH F/10MIN.
04:00	06:00	2.0	NU ROTATING HEAD & FLOW LINE. SET WEAR BUSHING.

SAFETY MEETING: RIGGING UP, NU & TEST BOPS

TEMP 65 DEG

FUEL: 2760 GALS ON HAND

FULL CREWS

START DAYWORK @ 12:00 HRS ON 7/24/06

LYNN W/UTAH DEPT OF HEALTH VISITED. CHECKED SEWAGE HOLDING SYSTEM. NOTIFIED MICHEAL LEE W/BLM. VERNAL UTAH @ 16:45 HRS ON 7/23/2006 OF OUR INTENT TO NU/TEST BOPE AT 12:00 HRS ON 7/24/2006. LEFT MESSAGES ON OFFICE & AFTER HOURS CELL PHONE.

07-26-2006 Reported By STRONG

Daily Costs: Drilling	\$55,194	Completion	\$0	Daily Total	\$55,194
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Cum Costs: Drilling	\$404,186	Completion	\$0	Well Total	\$404,186
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MD	2,675	TVD	2,675	Progress	715	Days	1	MW	8.4	Visc	28.0
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	08:00	2.0	RIG REPAIR, MODIFY BRAKE LINKAGE TO ALLOW BRAKES TO ADJUST PROPERLY.
08:00	09:00	1.0	PU BIT # 1 (HC504ZX), MOTOR, ROLLER REAMER, 6.25" DC, ROLLER REAMER, 6.25" DC. DP SPINNERS WOULD NOT WORK.
09:00	09:30	0.5	REPAIR DP SPINNERS.
09:30	12:00	2.5	FIN TIH W/BIT ON BHA #1.
12:00	13:00	1.0	PU KELLY & TORQUE ALL CONNECTIONS TO SPECS, SET KELLY BACK.
13:00	15:00	2.0	SINGLE IN HOLE TO 1785'.
15:00	15:30	0.5	PU KELLY & 1 JT DP, INSTALL ROTATING HEAD RUBBER.
15:30	18:15	2.75	WASH /REAM TO 1810', TAG CEMENT. DRILL CEMENT & FLOAT EQUIPT TO 1937'. DRILL TO 1960'.
18:15	18:50	0.58	CIRC CLEAN, SPOT GEL PILL ON BOTTOM. PERFORM FIT TO 11.6 PPG/EMW W/325 PSI. PRESSURE BLED TO 309 PSI IN 15 MIN.
18:50	19:30	0.67	RUN WL SURVEY W/BIT @ 1950'. SURVEY 1° @ 1874'.
19:30	03:00	7.5	DRILL ROTATE 1960' - 2487', 527', @ 70.2 FPH, ROT 45-50 RPM, MOTOR 60, 9-12K WOB.
03:00	03:30	0.5	WLS @ 2410', 1.75°.
03:30	06:00	2.5	DRILL 2487' TO 2675', 188' @ 75 FPH. DRILLING PERIMETERS SAME.

NO ACCIDENTS

DSLTA 214

BOP DRILL MORNING 58 SEC

SAFETY MEETING: TESTING

06:00 18.0 SPUD 7 7/8" HOLE @ 19:30 HRS, 7/25/06.

07-27-2006 Reported By J.A. FOREMAN

Daily Costs: Drilling	\$32,464	Completion	\$0	Daily Total	\$32,464
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Cum Costs: Drilling	\$436,650	Completion	\$0	Well Total	\$436,650
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MD	4,415	TVD	4,415	Progress	1,740	Days	2	MW	8.5	Visc	28.0
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILL 2675' TO 3435', 760' @ 95 FPH, WOB 15/18, RPM 45/60, MOTOR 60.
14:00	14:30	0.5	WLS @ 3354', 1/2".
14:30	15:00	0.5	SERVICE RIG.
15:00	18:30	3.5	DRILL 3435' TO 3783', 348' @ 99.4 FPH. DRILLING PERIMETERS SAME.
18:30	22:00	3.5	REPAIR BRAKES ON DRAWWORKS.
22:00	00:30	2.5	DRILL 3783' TO 4005' = 222' @ 89 FPH DRILLING PERIMETERS SAME.
00:30	01:00	0.5	WLS @ 3929', 2.5".
01:00	06:00	5.0	DRILL 4005' TO 4415', 410' @ 82 FPH, WOB 18/0, RPM 45/50, MM 60.

07-28-2006 Reported By J.A. FOREMAN

Daily Costs: Drilling	\$47,307	Completion	\$0	Daily Total	\$47,307
Cum Costs: Drilling	\$483,875	Completion	\$0	Well Total	\$483,875

MD	5,494	TVD	5,494	Progress	1,097	Days	3	MW	9.2	Visc	32.0
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILL 4415' TO 4574', 160' @ 26 FPH, WOB 18/20, RPM 40/50, MM 60.
12:00	12:30	0.5	SERVICE RIG.
12:30	15:30	3.0	DRILL 4574' TO 4733', 159' @ 53 FPH. DRILLING PERIMETERS SAME.
15:30	16:00	0.5	ADJUST BREAKS.
16:00	06:00	14.0	DRILL 4733' TO 5494', 761' @ 54.3 FPH, WOB 16-18, RPM 40-50, GPM 383.

NO ACCIDENTS

DSLTA 216

SAFETY MEETING: COMPRESSED AIR

07-29-2006 Reported By J.A. FOREMAN

Daily Costs: Drilling	\$31,114	Completion	\$0	Daily Total	\$31,114
Cum Costs: Drilling	\$514,990	Completion	\$0	Well Total	\$514,990

MD	6,302	TVD	6,302	Progress	808	Days	4	MW	9.4	Visc	33.0
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Formation :	PBTD : 0.0	Perf :	PKR Depth : 0.0
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Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	14:30	8.5	DRILL 5494' TO 5778', 284' @ 33.4 FPH, WOB 18/20, RPM 40/60, MM 60, 383 GPM.
14:30	15:00	0.5	RIG SERVICE.
15:00	06:00	15.0	DRILL 5778' TO 6302'. DRILLING PERIMETERS SAME.

NO ACCIDENTS

DSLTA 217

SAFETY MEETING: AUTOMATIC STARTING EQUIPMENT

07-30-2006 Reported By J.A. FOREMAN

Daily Costs: Drilling	\$31,829	Completion	\$1,336	Daily Total	\$33,165
Cum Costs: Drilling	\$546,819	Completion	\$1,336	Well Total	\$548,155

MD	7,246	TVD	7,246	Progress	944	Days	5	MW	9.6	Visc	34.0
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Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	13:00	7.0	DRILL 6302' TO 6603', 301' @ 3 FPH, WOB 18/20, RPM 40/50, MM 60, 383 GPM.
13:00	13:30	0.5	SERVICE RIG.
13:30	14:00	0.5	REPAIR AIR LINE ON DRAWWORKS.
14:00	06:00	16.0	DRILL 6603' TO 7246', 643' @ 40 FPM. DRILLING PARIMETERS SAME.

NO ACCIDENTS

DSLTA 218

SAFETY MEETING: WORKING IN HOT WEATHER

07-31-2006 Reported By J.A. FOREMAN

Daily Costs: Drilling	\$27,995	Completion	\$2,126	Daily Total	\$30,121
Cum Costs: Drilling	\$574,815	Completion	\$3,462	Well Total	\$578,277
MD	7,426	TVD	7,426	Progress	180
Days	6	MW	9.9	Visc	35.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: WASH/REAM

Start	End	Hrs	Activity Description
06:00	11:30	5.5	DRILL 7246' TO 7426', 180' @ 36 FPH, WOB 18/25, RPM 40/50, MM 60, 383 GPM.
11:30	12:00	0.5	SERVICE RIG.
12:00	12:30	0.5	PUMP PILL. DROP SURVEY.
12:30	19:30	7.0	TRIP OUT HOLE.
19:30	20:30	1.0	RETRIEVE TOTCO 7319', 1". CHANGE OUT MOTOR & BIT.
20:30	23:30	3.0	TRIP IN HOLE TO 3889', HIT BRIDGE.
23:30	01:00	1.5	WORK TIGHT HOLE. PICK UP KELLY AND WASH/REAM 3889' TO 3979'.
01:00	02:00	1.0	TRIP IN HOLE TO 4800' BIT, TAKING WT.
02:00	06:00	4.0	WORK TIGHT HOLE. PICK UP KELLY. WASH/REAM 4600' TO 5100'. LAY DOWN PIPE FROM DERRICK. FUNCTION TESTED BLIND RAMS.

NO ACCIDENTS

DSLTA 219

BOP DRILL DAYS 55 SEC

08-01-2006 Reported By J.A. FOREMAN

Daily Costs: Drilling	\$30,288	Completion	\$6,721	Daily Total	\$37,009
Cum Costs: Drilling	\$605,103	Completion	\$10,183	Well Total	\$615,286
MD	7,649	TVD	7,649	Progress	223
Days	7	MW	10.3	Visc	36.0

Formation : PBTD : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	06:30	0.5	WASH/REAM 5050' TO 5140'. HOLE CLEAN & PIPE FREE.
06:30	08:00	1.5	SET BACK KELLY AND ATTEMPT TRIP IN HOLE PIPE TAKING WT@ 5202'.
08:00	13:00	5.0	WASH/REAM 5202' TO 5852'.
13:00	15:30	2.5	WORK TIGHT HOLE. PUMP HIGH VIS PILL, RAISE MUD WT TO 11.0 PPG.

15:30 23:30 8.0 WASH/REAM 5852' TO 7426'. HOLE CLEAN 6600' TO 7426', NO DRAG OR NO FILL.
 23:30 06:00 6.5 DRILL 7426' TO 7649', 223' @ 35 FPH, WOB 15-18, RPM 40-50, 383 GPM.

NO ACCIDENTS

DSLTA 219

SAFETY MEETING: FIRST DAY BACK

BOP DRILL NIGHT CREW 58 SEC

FUNCTION TESTED BOP

08-02-2006 Reported By J.A. FOREMAN

Daily Costs: Drilling	\$44,065	Completion	\$0	Daily Total	\$44,065
Cum Costs: Drilling	\$649,169	Completion	\$10,183	Well Total	\$659,352
MD	8,390	TVD	8,390	Progress	741
		Days	8	MW	10.6
				Visc	41.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0	

Activity at Report Time: WIPER TRIP

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILL 7649' TO 7825', 176' @ 29.3 FPH, WOB 18-20, RPM 40-50, MW 11.1 PPG, 383 GPM.
12:00	12:30	0.5	RIG SERVICE. FUNCTION TESTED BOP.
12:30	04:00	15.5	DRILL 7825' TO 8390', 565' @ 36 FPH. REACHED TD @ 4:00 HRS, 8/1/06. DRILLING PERIMETERS SAME MUD WT 11.5 PPG.
04:00	05:00	1.0	CIRCULATE BOTTOMS UP.
05:00	06:00	1.0	WIPER TRIP, SHORT TRIP TO 7190'.

NO ACCIDENTS

DSLTA 220

SAFETY MEETING: GENERAL SAFETY PRACTICE

08-03-2006 Reported By J.A. FOREMAN

Daily Costs: Drilling	\$39,150	Completion	\$86,800	Daily Total	\$125,950
Cum Costs: Drilling	\$688,319	Completion	\$96,983	Well Total	\$785,302
MD	8,390	TVD	8,390	Progress	0
		Days	9	MW	11.5
				Visc	40.0
Formation :	PBTD : 0.0		Perf :	PKR Depth : 0.0	

Activity at Report Time: CIRCULATING

Start	End	Hrs	Activity Description
06:00	08:00	2.0	WIPER TRIP/SHORT TRIP TO 7190'. NO DRAG, NO FILL.
08:00	11:30	3.5	CIRCULATE/CONDITION MUD PUMP HI VIS SWEEP TOTAL GAS 1100 UNITS. FRANKS LAYDOWN CREW 2 HRS LATE.
11:30	12:00	0.5	HELD PRE JOB SAFETY MEETING W/ALL PERSONNEL ON LOCATION. RIG UP FRANKS LAYDOWN MACHINE.
12:00	21:00	9.0	LAY DOWN DRILL PIPE AND BHA BREAK KELLY. PULL WEAR BUSHING.
21:00	22:30	1.5	RIG UP FRANKS CASING CREW. HELD PRE JOB SAFETY MEETING.
22:30	03:30	5.0	RUN CASING. RUN 208 JTS (206 FULL JTS + 2 MARKER JTS) OF 4-1/2", 11.6#, N-80, LTC CSG. LANDED AT 8390' KB. RAN AS FOLLOWS: FLOAT SHOE, 1 JT CASING, FLOAT COLLAR AT 8345', 55 JTS CSG, MARKER JT "A" @ 6064', 57 JTS CSG, MARKER JT "B" @ 3767', 93 JTS CSG, 5.55' PUP JT, CSG HANGER. THREAD LOCK SHOE, FLOAT COLLAR, TOP OF JT #2. RAN CTLZRS 5' UP ON SHOE JT, TOP OF JT #2, THEN EVERY OTHER JT TO 5555', 35 TOTAL. TAGGED BTM. PICK UP LANDING JT W/MANDREL HANGER. INSTALL ROTATING HEAD PACK OFF. LAND & SPACE OUT HANGER.

03:30 04:30 1.0 RIG DOWN CASING CREW.

04:30 06:00 1.5 CIRCULATE/CONDITION HOLE FOR CEMENT.

NOTIFIED MICHEAL LEE W/BLM, VERNAL UTAH @ 15:00 HRS OF INTENT TO RUN & CEMENT CSG. BLM DECLINED TO WITNESS CEMENT JOB.

08-04-2006 Reported By J.A. FOREMAN

Daily Costs: Drilling	\$34,979	Completion	\$48,423	Daily Total	\$83,402
Cum Costs: Drilling	\$723,298	Completion	\$145,406	Well Total	\$868,704
MD	8,390	TVD	8,390	Progress	0
				Days	10
				MW	0.0
				Visc	0.0
Formation :		PBTD : 0.0		Perf :	PKR Depth : 0.0

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
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06:00	07:00	1.0	CIRCULATE OUT GAS. RIG UP SCHLUNBERGER. HOLD PRE JOB SAFETY MEETING.
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07:00	09:30	2.5	HOOK SCHLUMBERGER PUMP TO CEMENT HEAD. TEST LINES TO 4500 PSI. PUMP 20 BBLS CHEMICAL WASH, 20 BBLS FRESH WATER SPACER. MIX & PUMP 265 SX (140 BBLS) 35/65 POZ LEAD CMT W/6% D020, 2% D174, .2% D046, .20% D046, .750% D112, .3% D013 & .125 LB/SX D130 @ 12 PPG, 2.26 FT3/SK. PUMP 1365 SX (318 BBLS) 50/50 POZ G TAIL CMT W/2% D020, .1% D046, .2% D065, .5% D112, 1.0% S001 @ 14.1 PPG, 1.29 FT3/SK. WASH UP LINES, DROP PLUG. DISPLACE W/127.5 BBLS FW. FPP 2200 PSI. BUMP PLUG W/3000 PSI. HELD PRESSURE FOR 5 MIN. CIP @ 01:40 HRS, 7/22/06. BLEDPRESSURE FROM CASING, FLOATS HOLDING OK. FULL MUD RETURNS W/CHEM WASH WATER RETURNS AT END OF DISPLACEMENT.
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09:30	10:00	0.5	TEST MANDRAL HANGER, SEALS FAILED.
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10:00	13:00	3.0	NIPPLE DOWN BOP.
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13:00	14:00	1.0	PULL MANDREL HANGER AND SET WELLHEAD SLIPS.
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14:00	14:30	0.5	CLEAN MUD PITS.
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NO ACCIDENTS

1 FIRST AID

14:30	06:00	15.5	MIRU/RDMO.
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06:00		18.0	RELEASED RIG AT 14:30 HRS, 8/3/06.
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CASING POINT COST \$712,422

08-10-2006 Reported By SEARLE

Daily Costs: Drilling	\$0	Completion	\$40,500	Daily Total	\$40,500
Cum Costs: Drilling	\$723,298	Completion	\$185,906	Well Total	\$909,204
MD	8,390	TVD	8,390	Progress	0
				Days	11
				MW	0.0
				Visc	0.0
Formation :		PBTD : 8347.0		Perf :	PKR Depth : 0.0

Activity at Report Time:

Start	End	Hrs	Activity Description
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		24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 400'. CEMENT TOP ABOVE 400'. RD SCHLUMBERGER.
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08-12-2006 Reported By MCCURDY

Daily Costs: Drilling	\$0	Completion	\$1,995	Daily Total	\$1,995
Cum Costs: Drilling	\$723,298	Completion	\$187,901	Well Total	\$911,199

MD 8,390 TVD 8,390 Progress 0 Days 12 MW 0.0 Visc 0.0
 Formation : MESAVERDE PBTD : 8347.0 Perf : PKR Depth : 0.0

Activity at Report Time: PREP FOR FRAC

Start End Hrs Activity Description
 13:00 14:00 1.0 NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. PREP FOR FRAC.

08-15-2006 Reported By MCCURDY

Daily Costs: Drilling \$0 Completion \$1,045 Daily Total \$1,045
 Cum Costs: Drilling \$723,298 Completion \$188,946 Well Total \$912,244

MD 8,390 TVD 8,390 Progress 0 Days 13 MW 0.0 Visc 0.0
 Formation : MESAVERDE / WASATCH PBTD : 8347.0 Perf : 6588-8086 PKR Depth : 0.0

Activity at Report Time: FRAC

Start End Hrs Activity Description
 06:00 19:00 13.0 RU CUTTERS WL. PERFORATED LPR FROM 7779'-81', 7789'-91', 7797'-99', 7808'-10', 7821'-22', 7827'-28', 7847'-49', 7904'-05', 7924'-25', 8030'-31', 8048'-49' & 8085'-86' @ 2 SPF & 180° PHASING. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5005 GAL YF125ST+ PAD, 51107 GAL YF125ST+ & YF118ST+ WITH 171100# 20/40 SAND @ 1-6 PPG. MTP 5177 PSIG. MTR 50.7 BPM. ATP 4573 PSIG. ATR 49 BPM. ISIP 2640 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7756'. PERFORATED MPR FROM 7541'-42', 7550'-51', 7559'-60', 7564'-65', 7598'-99', 7617'-18', 7656'-57', 7680'-81', 7686'-88', 7702'-03', 7713'-14' & 7721'-23' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4989 GAL YF125ST+ PAD, 50535 GAL YF125ST+ & YF118ST+ WITH 159300# 20/40 SAND @ 1-5 PPG. MTP 6488 PSIG. MTR 49.8 BPM. ATP 5692 PSIG. ATR 45.7 BPM. ISIP 3260 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7500'. PERFORATED MPR FROM 7270'-71', 7289'-90', 7345'-46', 7367'-68', 7371'-73', 7379'-80', 7386'-88', 7409'-10', 7423'-24', 7452'-53' & 7462'-64' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4986 GAL YF125ST+ PAD, 50118 GAL YF125ST+ & YF118ST+ WITH 169800# 20/40 SAND @ 1-6 PPG. MTP 6215 PSIG. MTR 49.9 BPM. ATP 5405 PSIG. ATR 46.6 BPM. ISIP 1870 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7245'. PERFORATED MPR FROM 7067'-68', 7073'-74', 7084'-85', 7092'-93', 7102'-03', 7112'-13', 7119'-20', 7131'-32', 7141'-42', 7172'-73', 7185'-87' & 7224'-26' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4994 GAL YF123ST+ PAD, 63214 GAL YF123ST+ & YF118ST+ WITH 241800# 20/40 SAND @ 1-6 PPG. MTP 6016 PSIG. MTR 49.8 BPM. ATP 4073 PSIG. ATR 48.9 BPM. ISIP 2100 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7050'. PERFORATED MPR/UPR FROM 6859'-60', 6876'-77', 6891'-92', 6930'-32', 6955'-56', 6968'-69', 6985'-86', 6998'-7000', 7008'-09', 7025'-26' & 7032'-34' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4999 GAL YF123ST+ PAD, 62285 GAL YF123ST+ & YF118ST+ WITH 238000# 20/40 SAND @ 1-6 PPG. MTP 4701 PSIG. MTR 49.9 BPM. ATP 3907 PSIG. ATR 49.7 BPM. ISIP 2650 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6830'. PERFORATED UPR FROM 6588'-89', 6657'-58', 6667'-68', 6673'-74', 6730'-31', 6747'-49', 6767'-68', 6774'-75', 6779'-80' & 6807'-09' @ 3 SPF & 120° PHASING. RDWL. SDFN.

08-16-2006 Reported By MCCURDY

Daily Costs: Drilling \$0 Completion \$493,321 Daily Total \$493,321
 Cum Costs: Drilling \$723,298 Completion \$682,267 Well Total \$1,405,565

MD 8,390 TVD 8,390 Progress 0 Days 14 MW 0.0 Visc 0.0

Formation : MESAVERDE /
WASATCH

PBSD : 8347.0

Perf : 4641-8086

PKR Depth : 0.0

Activity at Report Time: PREP TO MIRUSU

Start	End	Hrs	Activity Description
08:00	18:30	10.5	SICP 1200 PSIG. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4993 GAL YF123ST+ PAD, 53093 GAL YF123ST+ & YF118ST+ WITH 185400# 20/40 SAND @ 1-6 PPG. MTP 5223 PSIG. MTR 51 BPM. ATP 4068 PSIG. ATR 49.9 BPM. ISIP 2140 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6470'. PERFORATED UPR FROM 6184'-85', 6193'-94', 6112'-13', 6221'-22', 6228'-29', 6242'-44', 6302'-04', 6323'-24', 6333'-34', 6352'-53', 6417'-18' & 6424'-25' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5001 GAL YF123ST+ PAD, 62577 GAL YF123ST+ & YF118ST+ WITH 237900# 20/40 SAND @ 1-6 PPG. MTP 4366 PSIG. MTR 50.2 BPM. ATP 3702 PSIG. ATR 48.6 BPM. ISIP 2300 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6130'. PERFORATED UPR/NH FROM 5917'-19', 5927'-28', 5945'-46', 5964'-65', 6984'-86', 6037'-38', 6054'-55', 6064'-65', 6070'-71', 6088'-89' & 6096'-98' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5007 GAL YF123ST+ PAD, 48123 GAL YF123ST+ & YF118ST+ WITH 168000# 20/40 SAND @ 1-6 PPG. MTP 4772 PSIG. MTR 50.2 BPM. ATP 3704 PSIG. ATR 49.8 BPM. ISIP 2020 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 5870'. PERFORATED Ba/Bf FROM 5514'-15', 5540'-42', 5606'-07', 5650'-51', 5675'-76', 5722'-24', 5778'-79', 5799'-801' & 5843'-44' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 2497 GAL YF125ST+ PAD, 31985 GAL YF125ST+ WITH 111800# 20/40 SAND @ 1-8 PPG. MTP 3240 PSIG. MTR 30.5 BPM. ATP 2402 PSIG. ATR 29.4 BPM. ISIP 1930 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 5250'. PERFORATED Ca FROM 4838'-40', 4858'-60', 4869'-71', 4968'-70', 5165'-67' & 5201'-03' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 2507 GAL YF125ST+ PAD, 33193 GAL YF125ST+ WITH 125800# 20/40 SAND @ 1-8 PPG. MTP 2702 PSIG. MTR 30.5 BPM. ATP 2390 PSIG. ATR 30.3 BPM. ISIP 1730 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 4780'. PERFORATED PP FROM 4641'-42', 4655'-56', 4673'-75', 4681'-84', 4691'-93', 4734'-36' & 4747'-48' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 2505 GAL YF125ST+ PAD, 34,581 GAL YF125ST+ WITH 123,375# 20/40 SAND @ 1-8 PPG. MTP 2380 PSIG. MTR 30.5 BPM. ATP 1812 PSIG. ATR 30.3 BPM. ISIP 1599 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CBP AT 4610'. BLEED OFF PRESSURE. POH. RD CUTTERS WL. SDFN.

08-17-2006 Reported By SEARLE

Daily Costs: Drilling	\$0	Completion	\$7,685	Daily Total	\$7,685
Cum Costs: Drilling	\$723,298	Completion	\$689,952	Well Total	\$1,413,250
MD	8,390	TVD	8,390	Progress	0
Days	15	MW	0.0	Visc	0.0
Formation : MESAVERDE / WASATCH	PBSD : 8347.0	Perf : 4641-8086	PKR Depth : 0.0		

Activity at Report Time: CLEAN OUT AFTER FRAC

Start	End	Hrs	Activity Description
07:00	18:00	11.0	MIRU ROYAL RIG 1. ND FRAC TREE & NU BOPE. RIH W/3 7/8" MILL & PUMP OFF BIT SUB TO CBP. CLEANED OUT & DRILLED OUT PLUGS @ 4610', 4780', 5250' & 5870'. POH TO 4600'. SDFN.

08-18-2006 Reported By SEARLE

Daily Costs: Drilling	\$0	Completion	\$59,837	Daily Total	\$59,837
Cum Costs: Drilling	\$723,298	Completion	\$749,789	Well Total	\$1,473,087
MD	8,390	TVD	8,390	Progress	0
Days	16	MW	0.0	Visc	0.0

Formation : MESAVERDE /
WASATCH

PBTD : 8347.0

Perf : 4641-8086

PKR Depth : 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 700 PSIG. RIH. CLEANED OUT & DRILLED OUT PLUGS AT 6130', 6470', 6830', 7050', 7245', 7500' AND 7756'. CLEANED OUT TO 8178'. LANDED TBG AT 5903' KB. ND BOPE. NU TREE. PUMPED OFF BIT AND SUB. RDMOSU.

FLOWED 15 HRS ON 16/64" CHOKE, FTP 1550 PSIG, CP 2250 PSIG, 40 BFPH. RECOVERED 508 BLW, 13124 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF BIT SUB 1.00'
1 JT 2-3/8" 4.7# L80 TBG 32.78'
XN NIPPLE 1.10'
178 JTS 2-3/8" 4.7# L80 TBG 5848.91'
BELOW KB 19.00'
LANDED @ 5902.79' KB

08-19-2006 Reported By SEARLE

Daily Costs: Drilling	\$0	Completion	\$850	Daily Total	\$850
Cum Costs: Drilling	\$723,298	Completion	\$750,639	Well Total	\$1,473,937

MD	8,390	TVD	8,390	Progress	0	Days	17	MW	0.0	Visc	0.0
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Formation : MESAVERDE / PBTD : 8347.0 Perf : 4641-8086 PKR Depth : 0.0
WASATCH

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS ON 16/64" CHOKE, FTP 1550 PSIG, CP 2500 PSIG, 34 BFPH. RECOVERED 794 BLW, 12330 BLWTR.

08-20-2006 Reported By SEARLE

Daily Costs: Drilling	\$0	Completion	\$850	Daily Total	\$850
Cum Costs: Drilling	\$723,298	Completion	\$751,489	Well Total	\$1,474,787

MD	8,390	TVD	8,390	Progress	0	Days	18	MW	0.0	Visc	0.0
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Formation : MESAVERDE / PBTD : 8347.0 Perf : 4641-8086 PKR Depth : 0.0
WASATCH

Activity at Report Time: SI - WO FACILITIES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS ON 16/64" CHOKE, FTP 1600 PSIG, CP 2350 PSIG, 24 BFPH. RECOVERED 629 BLW, 12209 BLWTR. SWI @ 6:00 AM. WO FACILITIES.

FINAL COMPLETION DATE: 8/19/06

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other										6. If Indian, Allottee or Tribe Name									
b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resrv., Other _____										7. Unit or CA Agreement Name and No.									
2. Name of Operator EOG Resources, Inc.										8. Lease Name and Well No. South Chapita 20-3									
3. Address 600 17th Street, Suite 1000N, Denver, CO 80202										3a. Phone No. (include area code) 303-824-5526									
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 481' FNL & 2320' FEL (Lot 2) 39.983917 LAT 109.311233 LON At top prod. interval reported below Same At total depth Same										9. AFI Well No. 43-047-36905									
14. Date Spudded 06/30/2006										15. Date T.D. Reached 08/01/2006									
16. Date Completed 09/12/2006 <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.										17. Elevations (DF, RKB, RT, GL)* 5340' NAT GL									
18. Total Depth: MD 8390 TVD										19. Plug Back T.D.: MD 8347 TVD									
20. Depth Bridge Plug Set: MD TVD										21. Type Electric & Other Mechanical Logs Run (Submit copy of each) RST/CBL/CCL/VDL/GR									
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy)										23. Casing and Liner Record (Report all strings set in well)									
Hole Size										Size/Grade									
12-1/4"										9-5/8"									
36.0#										J-55									
0-1937										0-8390									
1780 sx										1630 sx									
2-3/8"										5903									
25. Producing Intervals										26. Perforation Record									
Formation										Top									
Bottom										Perforated Interval									
Size										No. Holes									
Perf. Status										27. Acid, Fracture, Treatment, Cement Squeeze, etc.									
Depth Interval										Amount and Type of Material									
7779-8086										56,277 GALS GELLED WATER & 171,100# 20/40 SAND									
7541-7723										55,689 GALS GELLED WATER & 159,300# 20/40 SAND									
7270-7464										55,269 GALS GELLED WATER & 169,800# 20/40 SAND									
7067-7226										68,373 GALS GELLED WATER & 241,800# 20/40 SAND									
28. Production - Interval A										28a. Production - Interval B									
Date First Produced										Test Date									
Hours Tested										Test Production									
Oil BBL										Gas MCF									
Water BBL										Oil Gravity Corr. API									
Gas Gravity										Production Method									
09/12/2006										09/15/2006									
24										24									
24 Hr. Rate										24 Hr. Rate									
Oil BBL										Gas MCF									
Water BBL										Gas/Oil Ratio									
Well Status										Well Status									
PRODUCING GAS WELL										PRODUCING GAS WELL									
28a. Production - Interval B										28b. Production - Interval C									
Date First Produced										Test Date									
Hours Tested										Test Production									
Oil BBL										Gas MCF									
Water BBL										Oil Gravity Corr. API									
Gas Gravity										Production Method									
09/12/2006										09/15/2006									
24										24									
24 Hr. Rate										24 Hr. Rate									
Oil BBL										Gas MCF									
Water BBL										Gas/Oil Ratio									
Well Status										Well Status									
PRODUCING GAS WELL										PRODUCING GAS WELL									

*(See instructions and spaces for additional data on page 2)

RECEIVED

DEC 06 2006

DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Mesaverde Wasatch	6054 4641	8086 6038		Wasatch Chapita Wells Buck Canyon North Horn Upper Price River Middle Price River Lower Price River Sego	4154 4709 5372 5814 6044 6975 7698 8196

32. Additional remarks (include plugging procedure):

SEE ATTACHED SHEET.

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) **Mary A. Maestas**

Title **Regulatory Assistant**

Signature

Mary A. Maestas

Date **12/05/2006**

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

South Chapita 20-3 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

6859-7034	2/spf
6588-6809	3/spf
6184-6425	2/spf
5917-6098	2/spf
5514-5844	3/spf
4838-5203	3/spf
4641-4748	3/spf

27. ACID, FRACTURE TREATMENT, CEMENT SQUEEZE, ETC.

6859-7034	67,449 GALS GELLED WATER & 238,000# 20/40 SAND
6588-6809	58,251 GALS GELLED WATER & 185,400# 20/40 SAND
6184-6425	67,743 GALS GELLED WATER & 237,900# 20/40 SAND
5917-6098	53,295 GALS GELLED WATER & 168,000# 20/40 SAND
5514-5844	34,482 GALS GELLED WATER & 111,800# 20/40 SAND
4838-5203	35,700 GALS GELLED WATER & 125,800# 20/40 SAND
4641-4748	37,356 GALS GELLED WATER & 123,375# 20/40 SAND

Perforated the Lower Price River from 7779-7781', 7789-7791', 7797-7799', 7808-7810', 7821-7822', 7827-7828', 7847-7849', 7904-7905', 7924-7925', 8030-8031', 8048-8049' & 8085-8086' w/ 2 spf.

Perforated the Middle Price River from 7541-7542', 7550-7551', 7559-7560', 7564-7565', 7598-7599', 7617-7618', 7656-7657', 7680-7681', 7686-7688', 7702-7703', 7713-7714' & 7721-7723' w/ 2 spf.

Perforated the Middle Price River from 7270-7271', 7289-7290', 7345-7346', 7367-7368', 7371-7373', 7379-7380', 7386-7388', 7409-7410', 7423-7424', 7452-7453' & 7462-7464' w/ 2 spf.

Perforated the Middle Price River from 7067-7068', 7073-7074', 7084-7085', 7092-7093', 7102-7103', 7112-7113', 7119-7120', 7131-7132', 7141-7142', 7172-7173', 7185-7187' & 7224-7226' w/ 2 spf.

Perforated the Middle/Upper Price River from 6859-6860', 6876-6877', 6891-6892', 6930-6932', 6955-6956', 6968-6969', 6985-6986', 6998-7000', 7008-7009', 7025-7026' & 7032-7034' w/ 2 spf.

Perforated the Upper Price River from 6588-6589', 6657-6658', 6667-6668', 6673-6674', 6730-6731', 6747-6749', 6767-6768', 6774-6775', 6779-6780' & 6807-6809' w/ 3 spf.

Perforated the Upper Price River from 6184-6185', 6193-6194', 6212-6213', 6221-6222', 6228-6229', 6242-6244', 6302-6304', 6323-6324', 6333-6334', 6352-6353', 6417-6418' & 6424-6425' w/ 2 spf.

Perforated the Upper Price River/North Horn from 5917-5919', 5927-5928', 5945-5946', 5964-5965', 5984-5986', 6037-6038', 6054-6055', 6064-6065', 6070-6071', 6088-6089' & 6096-6098' w/ 2 spf.

Perforated the Buck Canyon from 5514-5515', 5540-5542', 5606-5607', 5650-5651', 5675-5676', 5722-5724', 5778-5779', 5799-5801' & 5843-5844' w/ 3 spf.

Perforated the Chapita Wells from 4838-4840', 4858-4860', 4869-4871', 4968-4970', 5165-5167' & 5201-5203' w/ 3 spf.

Perforated the P Interval from 4641-4642', 4655-4656', 4673-4675', 4681-4684', 4691-4693', 4734-4736' & 4747-4748' w/ 3 spf.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **EOG Resources, Inc.**

3a. Address
600 17th Street, Suite 1000N, Denver, CO 80202

3b. Phone No. (include area code)
303-824-5526

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**481' FNL & 2320' FEL (NW/NE Lot 2)
Sec. 3-T10S-R23E 39.983917 LAT 109.311233 LON**

5. Lease Serial No.
UTU-80613

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
South Chapita 20-3

9. API Well No.
43-047-36905

10. Field and Pool, or Exploratory Area
Natural Buttes/Mesaverde/Wasatch

11. County or Parish, State
Uintah County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Pit reclamation
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The reserve pit for the referenced location was closed on 11/13/2006 as per the APD procedure.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Mary A. Maestas

Title **Regulatory Assistant**

Signature

Mary A. Maestas

Date

02/06/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

FEB 08 2007

DIV. OF OIL, GAS & MINING